GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:384
ANSWERED ON:07.07.2004
LIFTING OF BAN ON IMPORTING SSI ITEMS
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government is aware that its decision to withdraw ban on the import of large number of items has proved to be disasterous for the Small Scale Industries in the Country;

(b) if so, whether any survey/study has been conducted to find out the extent of damage caused to SSIs due to the policy of the Government; and

(c) if so, the manner in which the Government proposes to compensate the loss to the SSIs?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) to (c): Government is constantly assessing and monitoring the impact of the removal of Quantitative Restrictions (QRs) and WTO Agreements on the economy including the Small Scale Industries(SSIs) in the country. Though removal of QRs have exposed the SSIs to a greater competition, yet the SSI sector has continued to grow. However, even after the removal of QRs, protection to industries is available in the form of raising custom duties upto to the bound levels, imposing anti-dumping duties, taking safeguards measures in case of surge in imports, etc.

The Government has also put in place several measures to help SSIs become globally competitive. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalisation.